

MINUTES

REGULAR MEETING OF THE NEWTON CITY COUNCIL – JUNE 15, 2010

The regular meeting of the Newton City Council was held on Tuesday, June 15, 2010 at 7:00 p.m. in the Council Chambers at City Hall with the following present: Mayor Robert A. Mullinax and Council Members Wayne Dellinger, Mary Bess Lawing, Tom Rowe, Bill Lutz, Robert C. Abernethy, Jr., and Mayor Pro Tem Anne Stedman.

Also in attendance were City Manager Todd Clark, City Attorney Larry Pitts, City Clerk Beunice R. “Bootsie” Roberts, City Department Heads, and members of the Management Team.

ITEM 1. CALL TO ORDER – ROBERT A. MULLINAX:

Mayor Mullinax called the meeting to order and welcomed everyone to the meeting.

ITEM 2. OPENING – COUNCIL MEMBER WAYNE DELLINGER

Council Member Wayne Dellinger led the audience in the Pledge of Allegiance.

ITEM 3. APPROVAL OF MINUTES FROM THE JUNE 1, 2010 REGULAR COUNCIL MEETING:

A motion was made by Mayor Pro Tem Anne Stedman, seconded by Council Member Mary Bess Lawing, and unanimously adopted to approve the minutes from the June 1, 2010 regular meeting as submitted.

ITEM 4. CONSIDERATION OF CONSENT AGENDA ITEMS:

Mayor Mullinax asked Chief Don Brown to explain further the situation with trading the firearms. Chief Brown said that the firearms trade consisted of trading seized and/or court ordered weapons for new 35-40 caliber guns. Chief Brown said that 70 guns are available for trade-in. The transaction will also generate a \$2,600 store credit to purchase additional weapons if needed. He said that the trade-in process eliminates the Police Department from purchase new firearms, which would cost the City \$115 per firearm. Chief Brown said that the trade-in is an excellent opportunity for the Police Department.

A motion was made by Council Member Mary Bess Lawing, seconded by Council Member Tom Rowe, and unanimously adopted to approve the Consent Agenda Items as submitted.

A. Consideration of initiating court proceedings on the following Code Enforcement Case: Jason & Christen Mazzocchio – Zoning Violation

RESOLUTION #19-2010

**RESOLUTION OF THE CITY COUNCIL
OF THE
CITY OF NEWTON**

CONCERNING:

OWNER/OCCUPANT/TENANT: Jason & Christen Mazzocchio

OWNER'S ADDRESS: 734 Southwest Boulevard, Newton, NC 28658

PROPERTY ADDRESS: 734 Southwest Boulevard, Newton, NC 28658

TAX MAP REFERENCE: MAP 010N 09008 (COUNTY Catawba)

PIN: 3730-19-70-3746

BEING A RESOLUTION directing the City Attorney for the City of Newton pursuant to Chapter 102 Zoning of the City of Newton Code to petition the Superior Court of the General Court of Justice of the State of North Carolina for an order directing such owner named herein to comply with Determination of the Planning Director as authorized by Chapter 102, Section 102-11 of the City Code; and

WHEREAS, the City Council of the City of Newton finds that the property herein described is in violation of the Zoning Ordinance and that the provisions of said Codes have not been complied with as a condition to the adoption of this resolution; and

WHEREAS, the owner of said property has failed and refused to comply with a lawful order of the Planning Director to remove the same to meet the requirements of the Zoning Ordinance within the time period prescribed;

NOW, THEREFORE; be it resolved by the City Council of the City of Newton that the City Attorney for the City of Newton pursuant to Chapter 102, Section 102-11 of the City Code be authorized and directed to petition the Superior Court of the General Court of Justice of the State of North Carolina for an order directing such owner named herein to comply with Order of the Planning Director as authorized by the North Carolina General Statutes, said Order of the Planning Director being dated May 5, 2010 and incorporated by reference into this Resolution.

ADOPTED THIS 15th DAY OF JUNE 2010.

Robert A. Mullinax, Mayor

ATTEST:

Beunice R. Roberts, City Clerk

B. Consideration of Police Department Weapons Trade-in

C. Sewer Adjustments – June 2010

The adjustments are recommended as a result of a water leak at the service address or a pool fill up.

Account Number	Name	Service Address	Adjustment Period	Amount of Adjustment
45001280.0098	James D. Kimball	218 Kilborne Dr.	May 2010	\$11.73
2000430.0097	Bobby Pettrey	856 Westside Dr.	May 2010	\$49.16
28000360.0092	Arnold Ready	826 N. Main Ave.	May 2010	\$30.67

ITEM 5. **COMMENTS FROM THE PUBLIC: (PERSONS WANTING TO MAKE A PUBLIC COMMENT ON NON-AGENDA ITEMS ARE REQUESTED TO SIGN IN WITH THE CITY CLERK PRIOR TO THE MEETING):**

Mayor Mullinax asked if there was anyone in the audience who wanted to speak on a non-agenda item. Mayor Mullinax offered the opportunity for anyone to make last comments on the Fiscal Year 2010-2011 City Budget, and no one appeared to speak.

ITEM 6. **OLD BUSINESS:**

A. Consideration of Adoption of the Fiscal Year 2010-2011 City Budget

City Manager Todd Clark called on Finance Director Serina Hinson to make the presentation for consideration of adoption of the Fiscal Year 2010-2011 City Budget.

Finance Director Hinson distributed the Budget Ordinance for the Council's information and review, to establish revenues and authorize expenditures for Fiscal Year 2010-2011 for the City of Newton. She reported that the following revenues for the operation of the City of Newton and its activities for Fiscal Year 2010-2011 are as follows:

General Fund	\$ 10,731,250
Federal Asset Seizure Fund	\$ 15,000
Powell Bill	\$ 373,700
Water & Wastewater Fund	\$ 6,095,800
Electric Fund	\$ 13,016,800
Health Insurance Fund	<u>\$ 1,336,000</u>
Total Budget	\$ 31,568,550

The proposed Fiscal Year 2010-2011 Budget reflects all changes discussed and recommendations made by the Council. The budget also includes a 5% electric rate increase for residential, commercial, Coincidental Peak (CP), and industrial customers; a 3% water rate increase and a 3% sewer rate increase as well as, changes made in Special Appropriations.

A motion was made by Mayor Pro Tem Anne Stedman, seconded by Council Member Tom Rowe to approve the Fiscal Year 2010-2011 City Budget.

Mayor Mullinax asked if there was further discussion needed on any budget item.

Council Member Wayne Dellinger said that this year's budget was very hard and that there was give and take from everyone. He said that he supports everything in the budget except the water and sewer rate increases.

Council Member Robert C. Abernethy, Jr. said that he agreed with Council Member Dellinger, but he did appreciate the compromise made on the water and sewer rates, that there was nothing else that could be done. He really appreciated the Council's effort to decrease the water and sewer rates.

Council Member Mary Bess Lawing said that she appreciate all the work of the City Manager and Departments, as well as the Council.

There being no further discussion on the Fiscal Year 2010-2011 Budget and with the changes recommended by the City Council, the budget was approved five to one (5 to 1). Council Member Wayne Dellinger voted against the motion.

Mayor Mullinax thanked the City Manager and Department Heads for their hard work and diligence on the budget. He said that this has been a tough budget with hard decisions to make, the toughest budget that he has seen since he has been Mayor.

Mayor Mullinax said that many of the decisions, particularly with the swimming pool where he had his first job, were very difficult for him and the Council. He said that the Council has had seven budget work sessions and a public hearing giving the citizens and opportunity to participate and have worked very hard. Mayor Mullinax thanked the Council again for studying the budget and complimented the Council saying that no other Council in the county knows their budget better or more than Newton's Council. He thanked the Staff and encouraged the City Manager, Staff and Council to move forward for a great 2010-2011 year.

ORDINANCE # 2010-13

AN ORDINANCE ESTABLISHING REVENUES AND AUTHORIZING EXPENDITURES FOR FISCAL YEAR
2010-2011 FOR THE CITY OF NEWTON.

WHEREAS, the City Council of the City of Newton has prepared an operating budget for the City of Newton in compliance with Article 3, Chapter 159-7 of the General Statutes of the State of North Carolina, otherwise titled the "Local government and Fiscal Control Act"; and

WHEREAS, after holding public hearing on said budget on June 1, 2010 and receiving public comment, it is now the desire of the Mayor and City Council to adopt said budget;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NEWTON that:

Section 1. The following revenues are hereby established for the operation of the City of Newton and its activities for Fiscal Year 2010-2011.

General Fund Revenues

Ad Valorem Taxes	\$ 5,063,550
Penalties and Interest	25,000
Rural District Fire Tax	335,650
Local Government Sales Taxes	2,315,750
Licenses and Permits	400
Payment in Lieu of Taxes	359,750
Franchise Tax	750,000
Beer and Wine	60,900
Solid Waste Disposal Tax	9,450
Rents, Concessions and Fees	376,100
Planning and Zoning Fees	6,600
County Landfill Tipping Fees	300,000
Cemetery Fees	24,000
Cable Franchise	95,850
Miscellaneous	5,500
Investment Income	11,000
Sale of Surplus Assets	25,000
Other Miscellaneous	65,750
Proceeds from Borrowing	501,000
Fund Balance Appropriated	<u>400,000</u>
Sub-total	\$ 10,731,250

Federal Asset Seizure Fund Revenues

Fund Balance Appropriated	\$ 15,000
Sub-total	\$ 15,000

Powell Bill Fund Revenues

Powell Bill	\$ 373,700
Sub-total	\$ 373,700

Water & Wastewater Fund Revenues

Charges for Service - Water	\$ 3,126,200
Charges for Service - Wastewater	2,436,150
Other Operating Revenues	463,450
Investment Income	5,000
Other Financing Sources	<u>65,000</u>
Sub-total	\$ 6,095,800

Electric Fund Revenues

Electric Sales	\$ 12,419,950
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Other Operating Revenue	339,350
Electric Sales Tax	255,000
Investment Income	<u>2,500</u>
Sub-total	\$ 13,016,800

Health Insurance Fund Revenues

Investment Income	\$ 200
Contributions	1,285,800
Retained Earnings Appropriated	<u>50,000</u>
Subtotal	\$ 1,336,000

TOTAL REVENUES

\$ 31,568,550

Section 2. That the following appropriation totals are hereby authorized for the City of Newton and its activities for Fiscal Year 2010-2011.

General Fund Appropriations

Governing Board	\$ 13,050
Administration	(259,700)
Finance	256,150
Purchasing/Warehouse	33,850
Technology	311,950
Human Resources	250,300
Human Resources - Post-Retirement	111,300
Public Works Administration	139,850
Public Works Garage	127,200
Public Works Street & Drainage	854,950
Public Works Sanitation	1,036,050
Municipal Buildings	206,000
Police	2,651,950
Police - Civilians	523,400
Fire	2,067,150
Planning & Economic Development	217,250
Parking Lots	7,950
Parks & Recreation - Administration	755,800
Parks & Recreation - Central Recreation Center	69,250
Parks & Recreation - Parks	144,000
Parks & Recreation - Pool	26,950
Parks & Recreation - Cemeteries	223,400
Special Appropriations	955,900
Other Appropriations	<u>7,300</u>
Sub-total	\$ 10,731,250

Federal Asset Seizure Fund Appropriations

Police Fed Asset Seizure	\$	15,000
<u>Powell Bill Fund Appropriations</u>		
Public Works Powell Bill	\$	373,700
<u>Water & Wastewater Fund Appropriations</u>		
Special Appropriations	\$	879,400
Public Utilities Water & Wastewater Operations		1,814,650
Public Utilities Water Filtration Plant		1,498,550
Public Utilities Wastewater Treatment Plant		1,460,100
Other Appropriations		443,100
Sub-total	\$	6,095,800
<u>Electric Fund Appropriations</u>		
Special Appropriations	\$	808,650
Public Utilities Electric	\$	9,569,000
Public Utilities Electric Operations	\$	2,639,150
Sub-total	\$	13,016,800
<u>Health Insurance Fund Appropriations</u>		
Premium and Benefits paid	\$	1,336,000
TOTAL APPROPRIATIONS	\$	<u><u>31,568,550</u></u>

Section 3. There is hereby levied a tax at the rate of \$.48 per one hundred (100) valuation of property as listed as of January 1, 2010 for the purpose of raising the revenue listed as "Ad Valorem Taxes" in the General Fund revenues of this ordinance. This rate is based on an estimated total valuation of property (real and motor vehicle) for the purpose of taxation of \$1,076,358,208 and an estimated collection rate of 96.11%.

Section 4. That electric rates be increased by 5% for residential, commercial, coincident peak and industrial customers. Water and sewer rates will be increased by 3% and that all fees and charges shall be adopted per the approved rate schedule. Any change in the Consumer Price Index shall be considered annually.

Section 5. The City Manager, as budget officer, is hereby authorized to continue making budget amendments, transfers and other changes as authorized in resolution #79.7, adopted April 3, 1979.

Section 6. Appropriations are authorized by department totals. The Finance Director is authorized to reallocate departmental appropriations among line item objects of expenditures and revenues as necessary during the budget year. The City Manager is authorized to reallocate appropriations among the various departmental totals of expenditure within the General Fund, Water & Wastewater Fund, and Electric Fund as allowed by North Carolina General Statute 159-15. Any such transfer shall be reported to the City Council at its next regular meeting following the transfer and shall be entered into the official minutes of the City of Newton.

Section 7. In accordance with North Carolina General Statute 143-129 the City Manager is hereby authorized to approve and award contracts for the purchase of apparatus, supplies, materials, or equipment up to \$100,000 subject to the conditions and limitation contained therein.

Section 8. Copies of this ordinance shall be filed with the Finance Director of the City of Newton, to be kept by him/her for their direction in the disbursement of City funds.

Section 9. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 10. That the City Manager, as chief administrative officer and as budget officer, shall be authorized to carry out the activities as approved in this adopted annual budget in accordance with all applicable state and local laws, ordinances and regulations.

Adopted this the 15th day of June, 2010.

Robert A. Mullinax, Mayor

Attest:

Beunice Roberts, City Clerk

ITEM 7. NEW BUSINESS:

A. Consideration of Radio System Upgrade Grant and Budget Ordinance for matching funds

City Manager Todd Clark said that the challenge today is applying for grants as the Police Department is doing through the North Carolina Crime Commission.

Chief Don Brown reported that the Federal Communication Commission mandates public safety entities to acquire new radio equipment to meet the future requirement of bandwidth narrowing. He said that compliance with the new mandate would be met by converting to an 800 MHz System. Chief Brown said that the State of North Carolina does provide the infrastructure for such a system referred to as VIPER by which local law enforcement agencies may utilize; and in order to utilize the system, new radio equipment must be purchased.

Chief Brown said that the Staff has applied for a grant through the North Carolina Crime Commission to purchase seventeen (17) 800 MHz handheld radios for \$48,690, requiring a 50% match of \$24,345 from the City.

Chief Brown said that there would be another mandate by the Federal Communication Commission in 2013 and 2017 and that the Staff is trying to be in compliance before that time.

A lengthy discussion generated on the matching requirements from the City on grants applied for by the Staff. Mayor Mullinax said in reference to grants in general, that the City has postponed a grant for the Heritage Greenway project (\$60,000) which the Staff used grant money to fund the project. He reference that Council Member Robert C. Abernethy, Jr. said that the Council needed to look more into grants requiring a match from the City. Mayor Mullinax said that there would be other grants in the future that the Staff will apply for, and grants take a considerable amount of time and effort to prepare and apply for, but because of economic conditions, there may not be matching funds available. He said the question is, "How do you prepare for matching funds ahead of the application process, such as grants available in August or September?"

Mayor Pro Tem Anne Stedman said that the directive could be that the Staff not applies for grants unless they are necessary. She said that the Staff does not have to apply for every grant, but when they do, there should be some type of process such as an "Approval for Match to Apply."

Council Member Mary Bess Lawing said that the Staff should think ahead of what would be needed in the future so that the Council would know it they can afford the grant match or not. She said that if the Staff applies for a grant, then it should be completed to the end, including the matching funds when necessary. Council Member Lawing said that she is afraid that if the Council refuses grants, that the City would be penalized for future grants.

Mayor Mullinax said that the Council encourages the Staff to seek and apply for grants, and if they take the time and effort to apply for a grant, they need to know that they have the support from the Council first, no matter which department is applying for a grant.

Council Member Bill Lutz asked in light of the budget, if the Police Department grant was the City's best opportunity. City Manager Clark said that this grant is a good grant opportunity for the City, and that he recommended approval from the Council. He said that there are better grants available and that the Staff has a fair number of grants that will be available in July, which the City may be award, and the Council could either accept it or deny it.

Mayor Mullinax said that the Staff needs to understand that matches are not "rubber stamped," that the Council finished dealing with Fund Balance for several weeks and now it is going to spend another \$24,000. He said that the Staff should consult with the Council before any further grant applications are made that includes matching grants, or the City has a line item in the budget for grant matches. He said that the Staff and Council should review the grant match requirement process further. Mayor Mullinax said that this grant match needed to be decided upon due to the June 30, 2010 deadline.

Council Member Bill Lutz said that if the grant is something that the City really needs, then apply for it, otherwise do not!

Council Member Mary Bess Lawing's comment was that it is the Staff's responsibility to seek grants and the Council's responsibility to accept or deny them.

Council Member Robert C. Abernethy, Jr. said that in regards to the Radio System Upgrade Grant, that the safety of the public is essential.

A motion was made by Council Member Tom Rowe, seconded by Council Member Mary Bess Lawing, and unanimously adopted that the Council approve funding in the Fiscal Year 2010-2011 Budget for matching funding for a grant through the North Carolina Crime Commission for \$48,690, requiring a 50% match from the City of Newton of \$24,345.

**(ORDINANCE #2010-14 IS HEREBY REFERENCED
AND ON FILE IN THE OFFICE OF THE CITY CLERK)**

ITEM 8. CITY MANAGER'S REPORT:

City Manager Todd Clark thanked the Council, Department Heads, and other Staff for the work on the budget. He said that the budget process this year has been very difficult for everyone. City Manager Clark said that he sees the relationship with the Staff, Council, and citizens as a partnership. He said that the he and the Staff will carry out the budget to the best of their ability and will do that frugally and responsibility.

ITEM 9. QUESTIONS AND COMMENTS FROM MAYOR AND COUNCIL:

None.

ITEM 10. ADJOURNMENT:

There being no further business to discuss, a motion was made by Council Member Mary Bess Lawing, seconded by Council Member Robert C. Abernethy, Jr., and unanimously approved that the June 15, 2010 meeting be adjourned.

Respectfully submitted by:

Robert A. Mullinax, Mayor

Beunice R. (Bootsie) Roberts, CMC/City Clerk